

## Message Text

CONFIDENTIAL

PAGE 01 LONDON 05659 151510 Z

44

ACTION EUR-25

INFO OCT-01 EA-11 ADP-00 EURE-00 CIAE-00 DODE-00 PM-09

H-02 INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01

SS-15 USIA-12 AID-20 COME-00 EB-11 FRB-02 TRSE-00

XMB-07 OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 CEA-02

STR-08 ABF-01 FS-01 INT-08 SCEM-02 RSR-01 /188 W

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P R 151502 Z MAY 73

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 1185

INFO AMEMBASSY BONN

USMISSION EC BRUSSELS

USMISSION OECD PARIS

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

C O N F I D E N T I A L LONDON 05659

PASS TREASURY, FRB

E. O. 11652: GDS

TAGS: EFIN, UK

SUBJECT: GOLD PRICE INCREASES; STERLING STRENGTHENS

1. GOLD OPENED TUESDAY AT \$107, AND CLIMBED TO \$112-115 BY EARLY AFTERNOON. STERLING ROSE TO \$2.5765 IN MORNING TRADING. SOURCES HERE LARGELY ATTRIBUTE DEVELOPMENT TO GENERAL WEAKNESS OF DOLLAR, US ENERGY CRISIS, AND WALL STREET DECLINE. SOURCES IN GOVERNMENT AND FOREIGN EXCHANGE DEPARTMENT SEE NO ECONOMIC JUSTIFICATION FOR STRENGTHENING OF STERLING, WITH ONE UK TREASURY SOURCE FEELING CURRENT LEVEL OF STERLING UNSUSTAINABLE AND, IF CONTINUED FOR ANY TIME, POSSIBLY HARMFUL TO UK EXTERNAL ECONOMY. SOURCES INDICATE THAT GOLD AND STERLING ARE BENEFITING FROM CONTROLS ON CONTINENT

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PAGE 02 LONDON 05659 151510 Z

LIMITING INFLOWS THERE.

2. MARKETS TERMED VERY UNSETTLED, BUT NOT, RPT NOT,  
WITH SAME CRISIS ATMOSPHERE IN FEBRUARY NOW THAT MAJOR  
EUROPEAN CURRENCIES ARE FLOATING. FOREIGN EXCHANGE  
DEALERS EXPRESS APPRECIATION FOR FLOATING RATES IN UK  
AND CONTINENT AS ONE FAVORABLE ELEMENT IN THE SITUATION.

ANNENBERG

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NMAFVVZCZ

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* CONFIDENTIAL

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 MAY 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** elyme  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973LONDON05659  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS ANNENBERG  
**Errors:** n/a  
**Film Number:** n/a  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 72  
**Locator:** TEXT ON-LINE  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** elyme  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
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Declassified/Released  
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EO Systematic Review  
30 JUN 2005

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**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** <DBA CORRECTED> gwr 980211  
**Subject:** GOLD PRICE INCREASES; STERLING STRENGTHENS  
**TAGS:** EFIN, UK  
**To:** EUR  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005